

Grower is responsible for purchasing employer's liability or workers compensation coverage for the **Grower's** employees.

If at any time the required insurance lapses, does not meet coverage requirements, or proof of insurance is not provided, **Murphy** reserves the right to purchase said insurance at the **Grower's** expense and deduct the cost from **Grower's Contract** payments.

- O. **Grower** agrees that he or she is an independent contractor and is not an agent or employee of **Murphy** as it relates to the activities **Grower** is obligated to perform under this agreement. Both **Murphy** and **Grower** agree that each party acknowledges, contracts and agrees with the other that each is an independent contractor, neither being an employee, agent, authorized, empowered, nor directed to incur any liability, debt or other obligation on behalf of the other, not under the control of each other, except as provided herein as it relates to the activities **Grower** is obligated under this agreement. **Grower** hereby waives all claims of recovery and holds **Murphy** harmless for any losses, personal or real, caused by the **Grower's** management and utilization of livestock, equipment, and supplies provided by **Murphy**.
- P. **Grower** agrees to permit **Murphy** to check **Grower's** credit rating with his bank and other creditors and to provide credit information to **Murphy** upon request. **Grower** also agrees to properly execute a UCC Financing Statement(s) relating to **Murphy** pigs. Credit checks may be made at any time during the term of this **Contract**, which may include but not be limited to tax returns, financial statements and cash flows.

III. COMPENSATION

- A. The amount due to the **Grower** and owed by **Murphy** will be computed and paid according to an equal quarterly payment designed to provide a total annual payment of thirty-four thousand, five hundred dollars per **Murphy** 1100 facility (\$34,500 / 1100 facility). These quarterly payments shall be paid on the 15th day of the month providing that the **Grower** has provided **Murphy** with the required documentation in support of animals received, death loss, animals shipped, and feed used. Payments will begin on the 15th day of the first month following placement of pigs.
- B. **Grower** shall be liable for 100% of any inventory shortages. **Murphy** will deduct the value of any missing inventory from the **Grower's Contract** payments. Inventory value will be computed at the greater of cost or market value at the date the shortage is discovered.
- C. In the event of a tornado, fire, wind and or such other casualty which would prevent use of the building, **Grower Contract** payments shall cease until the building structure is repaired.
- D. A bonus compensation for each marketable hog will be paid in accordance with the terms and conditions set forth on Exhibit "A" attached.